

# House Study Bill 761

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED DEPARTMENT OF  
MANAGEMENT BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to city finance committee duties and the city  
2 budgeting process.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 5218XD 82  
5 md/sc/5

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1 1 Section 1. Section 384.4, unnumbered paragraph 2, Code  
1 2 Supplement 2007, is amended by striking the unnumbered  
1 3 paragraph.

1 4 Sec. 2. Section 384.15, subsections 1 and 2, Code 2007,  
1 5 are amended to read as follows:

1 6 1. ~~Promulgate Consult with the department of management on~~  
1 7 ~~budget forms, adopt~~ rules relating to budget amendments and

1 8 the procedures for transferring moneys between funds, and  
1 9 ~~adopt~~ other rules necessary or desirable in order to exercise  
1 10 its powers and perform its duties, including rules necessary  
1 11 to implement section 384.6, subsection 1. The committee's  
1 12 rules are subject to chapter 17A as applicable.

1 13 2. Select its officers and meet at least twice annually at  
1 14 the call of the director of the department of management or at  
1 15 the request of a majority of the committee.

1 16 Sec. 3. Section 384.15, subsection 7, Code 2007, is  
1 17 amended by striking the subsection.

1 18 Sec. 4. Section 384.16, subsection 1, unnumbered paragraph  
1 19 2, Code Supplement 2007, is amended to read as follows:

1 20 A budget must show comparisons between the estimated  
1 21 expenditures in each program in the following year, the latest  
1 22 estimated expenditures in each program in the current year,  
1 23 and the actual expenditures in each program from the annual  
1 24 report as provided in section 384.22, or as corrected by a  
1 25 subsequent audit report. Wherever practicable, as provided in  
1 26 rules of the committee, a budget must show comparisons between  
1 27 the levels of service provided by each program as estimated  
1 28 for the following year, and actual levels of service provided  
1 29 by each program during the two preceding years. For each city  
1 30 that has established an urban renewal area, the budget shall  
1 31 include estimated and actual tax increment financing revenues  
1 32 and all estimated and actual expenditures of the revenues,  
1 33 proceeds from debt and all estimated and actual expenditures  
1 34 of the debt proceeds, and identification of any entity

1 35 receiving a direct payment of taxes funded by tax increment  
2 1 financing revenues and shall include the total amount of  
2 2 loans, advances, indebtedness, or bonds outstanding at the  
2 3 close of the most recently ended fiscal year, which qualify  
2 4 for payment from the special fund created in section 403.19,  
2 5 including interest negotiated on such loans, advances,  
2 6 indebtedness, or bonds. For purposes of this subsection,  
2 7 "indebtedness" includes written agreements whereby the city  
2 8 agrees to suspend, abate, exempt, rebate, refund, or reimburse  
2 9 property taxes, provide a grant for property taxes paid, or  
2 10 make a direct payment of taxes, with moneys in the special  
2 11 fund. The amount of loans, advances, indebtedness, or bonds  
2 12 shall be listed in the aggregate for each city reporting. ~~The~~  
~~2 13 city finance committee, in consultation with the department of~~  
~~2 14 management and the legislative services agency, shall~~  
~~2 15 determine reporting criteria and shall prepare a form for~~  
~~2 16 reports filed with the department pursuant to this section.~~  
~~2 17 The department shall make the information available by~~  
~~2 18 electronic means.~~

2 19 Sec. 5. Section 384.16, subsection 3, Code Supplement

2 20 2007, is amended to read as follows:

2 21 3. The council shall set a time and place for public  
2 22 hearing on the budget before the final certification date and  
2 23 shall publish notice of the hearing not less than ~~ten~~ four nor  
2 24 more than twenty days before the hearing in a newspaper  
2 25 published at least once weekly and having general circulation  
2 26 in the city. However, if the city has a population of two  
2 27 hundred or less, publication may be made by posting in three  
2 28 public places in the city. A summary of the proposed budget  
2 29 shall be included in the notice. Proof of publication must be  
2 30 filed with the county auditor. The department of management  
2 31 shall prescribe the form for the public hearing notice for use  
2 32 by cities.

2 33 Sec. 6. Section 384.22, unnumbered paragraph 2, Code 2007,  
2 34 is amended by striking the unnumbered paragraph.

2 35 EXPLANATION

3 1 This bill makes several changes to Iowa's city finance  
3 2 laws. The bill amends Code section 384.4 to strike the  
3 3 requirement that moneys pledged or available to service  
3 4 general obligation bonds, and received from sources other than  
3 5 property taxes, be deposited in a city's debt service fund.

3 6 The bill amends Code section 384.15 relating to the city  
3 7 finance committee. The bill requires the city finance  
3 8 committee to consult with the department of management on  
3 9 budget forms and requires the city finance committee to meet  
3 10 at least two times per year.

3 11 The bill amends Code section 384.15 by abolishing the law  
3 12 enforcement officer training reimbursement program which  
3 13 currently is administered by the department of management  
3 14 under rules adopted by the city finance committee. The law  
3 15 enforcement officer training reimbursement program provides  
3 16 reimbursement to a city or county for expenses incurred in  
3 17 training a law enforcement officer who resigns from law  
3 18 enforcement service with the city or county within four years  
3 19 after completion of the law enforcement training.

3 20 Code section 384.16 is amended by striking a provision  
3 21 requiring the city finance committee to determine city budget  
3 22 reporting criteria in consultation with the department of  
3 23 management and the legislative services agency, striking a  
3 24 provision requiring the city finance committee to prepare a  
3 25 form for such reports, and striking a provision requiring the  
3 26 department of management to make such information available  
3 27 electronically.

3 28 Currently, Code section 384.16, subsection 3, requires that  
3 29 a notice of the public hearing on the city budget be published  
3 30 not less than 10 and no more than 20 days before the hearing.  
3 31 The bill amends the publication period to be not less than  
3 32 four and no more than 20 days before the hearing. This  
3 33 amendment makes the publication period consistent with other  
3 34 publication of notices under Code section 362.3.

3 35 Currently, Code section 384.16 provides that a city failing  
4 1 to meet the annual report filing deadline shall have a portion  
4 2 of its allocation of homestead property tax credit  
4 3 reimbursement withheld until the annual report is filed. The  
4 4 bill strikes this penalty.

4 5 LSB 5218XD 82  
4 6 md/sc/5.2